

**GOVERNMENT OF KERALA****Abstract**

Industries Department - Kerala Automobiles Limited - Working Capital Support -Release of fund - Sanction accorded - Orders issued

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**INDUSTRIES (D) DEPARTMENT**

G.O.(Rt)No.950/2025/ID

Dated,Thiruvananthapuram, 30-07-2025

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Read 1 GO(Rt)No.736/2025/ID dated 19/06/2025.

2 Letter No.KAL/ACC/2025-26/223 dated 21/06/2025 from the Managing Director, Kerala Automobiles Ltd.

3 Letter No.DIC/3275/2025-FB1 dated 26/06/2025 from the Director of Industries & Commerce.

**ORDER**

As per the Government Order read as 1<sup>st</sup> paper above, Administrative Sanction was accorded to provide working capital support to 26 Public Sector Undertakings for a total amount of Rs.47 crore (Rupees Forty Seven Crores only) by re-provisioning the lumpsum amount provided under the head of account 4885-60-800-96(P). Of the above amount, Rs.3,50,00,000/- (Rupees Three Crore Fifty Lakh) has been allocated to the Kerala Automobiles Limited under the head of account 6858-03-190-99(P).

2) As per the letter read as 2<sup>nd</sup> paper above, the Managing Director, Kerala Automobiles Limited has requested to release the amount of Rs. 3.5 crore sanctioned as per the Government order read as 1<sup>st</sup> paper above and as per the letter read as 3<sup>rd</sup> paper above, the Director of Industries and Commerce has furnished re-appropriation proposal to release the amount to Kerala Automobiles Ltd.

3) Government have examined the matter in detail and are pleased to release an amount of Rs.1,22,50,000/- (Rupees One Crore Twenty Two Lakh and Fifty Thousand only) to Kerala Automobiles Ltd towards working capital assistance under the h/a '6858-03-190-99(P)' sanctioned vide

Government order read as 1<sup>st</sup> paper above from the current year's (2025-26) budget provision subject to the following terms and conditions of fund release:

- a. The amount shall be transfer credited to PSTSB account in compliance of GO(P)No.62/2018/Fin dtd.16.04.2018.
- b. The procedures prescribed in Circular No.84/08/Fin dated, 09/12/2008 and Circular No.75/09/Fin dated, 29/08/2009 should be scrupulously followed.
- c. Financial principles & Rules relating to drawal & utilisation of funds should be observed scrupulously.
- d. The Operational guidelines regarding the utilization and monitoring of plan funds issued vide GO(P)No. 88/2018/Fin dated, 11.06.2018 and GO(P)No.100/2018/Fin dated, 03.07.2018 should be scrupulously followed.
- e. The loan should be treated as 'Working Capital Loan'.
- f. The period of loan shall be 5 years.
- g. Repayment of loan shall commence on the first anniversary of the drawal of loan.
- h. Rate of interest shall be 9.5% per annum as per G.O(P)No.169/2018/Fin. dtd.16.05.2018.
- i. Loan shall be repaid in equal quarterly instalment along with interest and the Company shall monitor the same.
- j. In case of default, penal interest @ 2.50% per annum shall be charged in addition to the normal rate of interest.
- k. The amount shall be shown as loan from Government in the accounts of the Company.
- l. Since the interest rate prescribed assumes timely repayment of principal and payment of interest, no further rebate in rates will be allowed under any circumstances.
- m. The Drawing & Disbursing Officer should ensure that unspent balances of previous release, if any, will be adjusted against the instant release of funds.
- n. All the formalities/procedures prescribed in Circular No.40/2013/Fin.dated,27/04/2013 should be followed scrupulously.
- o. The Company shall evolve a proper mechanism for ensuring the prompt repayment of the loan along with interest as per the terms and

conditions, within the stipulated period.

- p. The Company should strictly furnish the UC Component wise expenditure for the fund release in the prescribed proforma as appended with GO(Ms)No. 4/2020 dated 09/01/2020.
- q. The conditions stipulated in GO(P) No.157/2021/Fin dated 26.11.2021 & GO(P)No.171/2021/Fin dated 18.12.2021 in respect of the Loan Monitoring and Fund Management Systems should be followed scrupulously.

4) The Director /Additional Director of Industries & Commerce shall draw and disburse the amount to the Managing Director, Kerala Automobiles Limited.

(By order of the Governor)  
A P M MOHAMMED HANISH  
PRINCIPAL SECRETARY

To:

The Director/ Additional Director of Industries & Commerce.  
The Executive Chairman/ Member Secretary, Board for Public Sector Transformation, Thiruvananthapuram.  
The Managing Director, Kerala Automobiles Limited, Aralummodu, Neyyattinkara.  
The District Treasury Officer, Thiruvananthapuram.  
The Accountant General (A&E / E&RSA), Kerala, Thiruvananthapuram.  
Finance Department (vide U.O(F)No. 3207410/PU-D3/110/2025-Fin dated 25/07/2025)  
Finance (GIMC) Department.  
Stock file/ Office copy.

Forwarded /By order

Section Officer